

MONTANA LEGISLATIVE HISTORY

Chapter 496 19 91

Bill H 446 S _____

Original bill & history ☒ C

H. Committee on Taxation

Hearing Date(s) 2-8 ☒ C

_____ C

_____ C

_____ C

Date Out _____ C

S. Committee on Taxation

Hearing Date(s) 3-20 ☒ C

_____ C

_____ C

_____ C

Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee _____

Report _____

1/30 FIRST READING
 1/30 FISCAL NOTE REQUESTED
 2/04 FISCAL NOTE RECEIVED
 2/04 FISCAL NOTE PRINTED
 2/05 HEARING
 2/05 TABLED IN COMMITTEE

HB 444 INTRODUCED BY WANZENRIED, ET AL.
 EXEMPT COMMUNITY COLLEGE DISTRICT
 LEVY FROM PROPERTY TAX FREEZE

1/29 INTRODUCED
 1/29 REFERRED TO TAXATION
 1/30 FIRST READING
 1/30 FISCAL NOTE REQUESTED
 2/04 FISCAL NOTE RECEIVED
 2/04 FISCAL NOTE PRINTED
 2/08 HEARING
 3/19 TABLED IN COMMITTEE

HB 445 INTRODUCED BY J. RICE, ET AL.
 REPEAL EXPIRATION DATE OF CERTIFICATE OF NEED LAW

1/29	INTRODUCED		
1/29	REFERRED TO HUMAN SERVICES & AGING		
1/30	FIRST READING		
2/08	HEARING		
2/11	COMMITTEE REPORT—BILL PASSED		
2/13	2ND READING PASSED	93	7
2/15	3RD READING PASSED	94	5
	TRANSMITTED TO SENATE		
2/16	FIRST READING		
2/16	REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY		
3/08	HEARING		
3/09	COMMITTEE REPORT—BILL CONCURRED		
3/13	2ND READING CONCURRED	39	9
3/14	3RD READING CONCURRED	44	4
	RETURNED TO HOUSE		
3/20	SIGNED BY PRESIDENT		
3/20	SIGNED BY SPEAKER		
3/21	TRANSMITTED TO GOVERNOR		
3/26	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 184		
	EFFECTIVE DATE: 7/01/91		

HB 446 INTRODUCED BY T. NELSON, ET AL.
 PRICE MUST COVER ALL DUE IF TAX-DEED LAND
 PURCHASED BY DELINQUENT TAXPAYER

1/29	INTRODUCED		
1/29	REFERRED TO TAXATION		
1/30	FIRST READING		
2/08	HEARING		
2/08	COMMITTEE REPORT—BILL PASSED		
2/11	2ND READING PASSED	95	1
2/13	3RD READING PASSED	96	4
	TRANSMITTED TO SENATE		
2/14	FIRST READING		
2/14	REFERRED TO TAXATION		
3/20	HEARING		
4/05	COMMITTEE REPORT—BILL CONCURRED		
4/08	2ND READING CONCURRED	49	0
4/09	3RD READING CONCURRED	45	0
	RETURNED TO HOUSE		

4/16 SIGNED BY SPEAKER
 4/16 SIGNED BY PRESIDENT
 4/16 TRANSMITTED TO GOVERNOR
 4/20 SIGNED BY GOVERNOR
 CHAPTER NUMBER 496

EFFECTIVE DATE: 4/20/91

HB 447 INTRODUCED BY COBB, ET AL.

REVISE CERTAIN PROVISIONS IN THE TAXATION
 OF INDIVIDUALS AND CORPORATIONS

1/29 INTRODUCED
 1/29 REFERRED TO TAXATION
 1/30 FIRST READING
 1/30 FISCAL NOTE REQUESTED
 2/04 FISCAL NOTE RECEIVED
 2/05 HEARING
 2/05 FISCAL NOTE PRINTED
 3/07 TABLED IN COMMITTEE

HB 448 INTRODUCED BY REAM, ET AL.

AMEND THE METAL MINE RECLAMATION LAWS
 BY REQUEST OF GOVERNOR

1/30 INTRODUCED
 1/30 REFERRED TO NATURAL RESOURCES
 1/30 FIRST READING
 2/02 FISCAL NOTE REQUESTED
 2/06 FISCAL NOTE RECEIVED
 2/08 HEARING
 2/08 FISCAL NOTE PRINTED
 2/09 COMMITTEE REPORT—BILL PASSED AS AMENDED
 2/12 REVISED FISCAL NOTE REQUESTED
 2/14 REVISED FISCAL NOTE RECEIVED
 2/14 REVISED FISCAL NOTE PRINTED
 2/14 2ND READING PASSED 97 0
 2/16 3RD READING PASSED 97 0

TRANSMITTED TO SENATE
 2/18 FIRST READING
 2/18 REFERRED TO NATURAL RESOURCES
 3/22 HEARING
 4/11 COMMITTEE REPORT—BILL CONCURRED
 4/16 2ND READING CONCURRED 49 0
 4/17 3RD READING CONCURRED 49 0

RETURNED TO HOUSE
 4/20 SIGNED BY SPEAKER
 4/20 SIGNED BY PRESIDENT
 4/20 TRANSMITTED TO GOVERNOR
 4/25 SIGNED BY GOVERNOR
 CHAPTER NUMBER 637

EFFECTIVE DATE: 7/01/91

HB 449 INTRODUCED BY SCHYE

APPROPRIATE MONEY FOR FULL FUNDING OF
 SPECIAL EDUCATION ALLOWABLE COSTS
 BY REQUEST OF OFFICE OF PUBLIC INSTRUCTION

1/30 INTRODUCED
 1/30 REFERRED TO EDUCATION & CULTURAL RESOURCES
 1/30 FIRST READING
 2/11 HEARING
 3/07 COMMITTEE REPORT—BILL PASSED AS AMENDED
 3/08 REREFERRED TO APPROPRIATIONS
 3/19 HEARING
 3/27 TABLED IN COMMITTEE

HOUSE BILL NO. 446

INTRODUCED BY T. NELSON, GILBERT

IN THE HOUSE

JANUARY 29, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 30, 1991	FIRST READING.
FEBRUARY 8, 1991	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 9, 1991	PRINTING REPORT.
FEBRUARY 11, 1991	SECOND READING, DO PASS.
FEBRUARY 12, 1991	ENGROSSING REPORT.
FEBRUARY 13, 1991	THIRD READING, PASSED. AYES, 96; NOES, 4.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 14, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 5, 1991	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 8, 1991	SECOND READING, CONCURRED IN.
APRIL 9, 1991	THIRD READING, CONCURRED IN. AYES, 45; NOES, 0.
	RETURNED TO HOUSE.

IN THE HOUSE

APRIL 10, 1991	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 446
2 INTRODUCED BY Don Wilson
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT IF THE
5 PROPERTY AT A TAX-DEED AUCTION IS PURCHASED BY THE
6 DELINQUENT TAXPAYER, THE MINIMUM PURCHASE PRICE MUST COVER
7 ALL COSTS, DELINQUENCIES, INTEREST, AND PENALTIES; AMENDING
8 SECTION 7-8-2301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
9 DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 7-8-2301, MCA, is amended to read:

13 "7-8-2301. Auction sale of county tax-deed land. (1)
14 Whenever the county acquires land by tax deed, it is the
15 duty of the board of county commissioners, within 6 months
16 after acquiring title, to make and enter an order for sale
17 of the lands at public auction at the front door of the
18 courthouse.

19 (2) A sale may not be made for a price less than the
20 fair market value of the land, as determined and fixed by
21 the board prior to making the order of sale. In determining
22 fair market value, the board shall subtract the amount of
23 outstanding assessments that are a lien on the land from the
24 unencumbered value of the land, but the minimum sale price
25 for a parcel of land may not be less than \$10.

1 (3) If no bids are received at a sale of tax-deed land,
2 the board shall order another auction sale of the land under
3 this part within 6 months and may, if required by the
4 circumstances, redetermine the fair market value of the land
5 under subsection (2).

6 (4) If no bid is received at the sale conducted under
7 subsection (3), the board may dispose of the land as
8 provided in 7-8-2218.

9 (5) Notwithstanding the amount of the fair market value
10 fixed by the board prior to the auction, if the successful
11 sale bidder is the delinquent taxpayer or his successor in
12 interest, his agent, or a member of his immediate family,
13 the purchase price may not be less than the amount necessary
14 to pay, in full, all county costs of conducting the sale,
15 delinquent taxes, assessments, and all interest and
16 penalties."

17 **NEW SECTION. Section 2.** Effective date. [This act] is
18 effective on passage and approval.

-End-

MONTANA LEGISLATIVE COUNCIL BILL STATUS SYSTEM
 FINAL COMMITTEE REPORT OF REFERRED BILLS
 COMMITTEE--(H) TAXATION

PAGE NBR..... 153
 RUN TIME13:25
 RUN DATE.... 06/04/91

CHAIRMAN--DAN HARRINGTON
 NORMAL SCHEDULE==> SITE: ROOM 437

DAYS: M,T,W,T,F

TIME: 8:00 A.M.

SECRETARY--MONA SPAULDING

--BILL NO--	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0397	1/25	2/01		TABLED ON 02/14		
BARDANOUE, FRANCIS			SCHOOL REVISED BUDGET WITH REFUND OF DECREASED LEVY			
HB0398	1/25	2/05		TABLED ON 03/27		
CONNELLY, MARY ELLEN			REVISE RESIDENTIAL PROPERTY TAX CREDIT FOR THE ELDERLY			
HB0402	1/25	2/05				
WYATT, DIANA			ESTABLISHING A PROPERTY TAX REAPPRAISAL CYCLE OF 3 YEARS RATHER THAN 5 YRS.			
HB0408	1/28	2/07		DO PASS		2/07
SCHYE, TED			EXEMPTING LIBRARIES AND MUSEUMS FROM THE PROPERTY TAX FREEZE			
HB0422	1/28	2/08		DO PASS		2/08
HOFFMAN, DAVID			AUTHORIZE STATE TAX APPEAL BOARD TO USE HEARINGS OFFICERS			
HB0437	1/29	2/19		TABLED ON 02/19		
SPRING, JR., WILBUR			ALLOCATE A PORTION OF RIT FUNDS TO CONSERVATION DISTRICTS			
HB0441	1/29	2/06		PASS AS AMENDED		3/05
PAVLOVICH, BOB			REVISE DELINQUENT MOBILE HOME TAX LIABILITY			
HB0444	1/29	2/08		TABLED ON 03/19		
WANZENRIED, DAVID			EXEMPT COMMUNITY COLLEGE DISTRICT LEVY FROM PROPERTY TAX FREEZE			
HB0446	1/29	2/08		DO PASS		2/08
NELSON, THOMAS			PRICE MUST COVER ALL DUE IF TAX-DEED LAND PURCHASED BY DELINQUENT TAXPAYER			
HB0447	1/29	2/05	2/15	TABLED ON 03/07		
COBB, JOHN			REVISE CERTAIN PROVISIONS IN THE TAXATION OF INDIVIDUALS AND CORPORATIONS			
HB0452	1/30	2/08		PASS AS AMENDED		3/27
LARSON, DON			PROVIDE 7-YEAR TAXABLE VALUE DECREASE FOR CERTAIN NEW & EXPANDING INDUSTRIES			

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By DAN HARRINGTON, CHAIR, on February 8, 1991, at 9:00 a.m.

ROLL CALL

Members Present:

Dan Harrington, Chairman (D)
Bob Ream, Vice-Chairman (D)
Ben Cohen, Vice-Chair (D)
Ed Dolezal (D)
Jim Elliott (D)
Orval Ellison (R)
Russell Fagg (R)
Mike Foster (R)
Bob Gilbert (R)
Marian Hanson (R)
David Hoffman (R)
Jim Madison (D)
Ed McCaffree (D)
Bea McCarthy (D)
Tom Nelson (R)
Mark O'Keefe (D)
Bob Raney (D)
Barry "Spook" Stang (D)
Fred Thomas (R)
Dave Wanzenried (D)

Members Absent: Ted Schye (D)

Staff Present: Lee Heiman, Legislative Council
Lois O'Connor, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

HEARING ON HB 446

Presentation and Opening Statement by Sponsor:

REP. NELSON, House District 95, Billings, stated that HB 446 is an act to require that if the property at a tax-deed auction is purchased by the delinquent taxpayer, the minimum purchase price must cover all costs, delinquencies, interest, and penalties. This bill is adding a new section to Title 7 of MCA. Under current statutes, a delinquent taxpayer can bid his property

under any tax-deed auction even after the first sale. The County Commissioner reduces the appraised value.

Page 1, Line 19, states a sale may not be made for a price less than the fair market value of the land, as determined and fixed by the board prior to making the order of sale. In determining fair market value, the board shall subtract the amount of outstanding assessments that are a lien on the land. This will take effect at the first tax sale. If property doesn't sell for the fair market value, property may come up for a tax sale a second and third time.

Page 2, Line 1, states if no bids are received at the sale of tax-deed land, the board shall order another auction sale of the land under this part within six months, and may, if required by the circumstances, redetermine the fair market value of the land. A subsequent sale could be sold for less than the taxes accumulated on the property.

HB 446 would allow a delinquent taxpayer, his successor in interest, agent, or member of his immediate family to bid on their delinquent parcels at the public auction; and if they are the successful bidder, they are required to pay all county costs, delinquent taxes, assessments, and all interest and penalties due in full. For example: A delinquent taxpayer may be delinquent to the amount of \$500,000. After the first sale, the appraised values are lower. The delinquent taxpayer may then bid on the property again at a future sale and save himself \$200,000.

Under the current process, the state, schools, counties, and cities lose 40%. This loss necessitates increasing levies up to maximum levies allowed by I-105 to compensate for the loss of taxes and special assessments.

Proponents' Testimony:

Merrill Klundt, Yellowstone County Clerk and Recorder, stated the old tax-deed law indicated that a taxpayer, once the notice or application went out for tax-deed, had to pay all penalties and costs. There was no partial payments made. He also had the right of repurchase up to the date of the first sale which the board set once the tax-deed is issued. In 1987, an entirely new tax sale bill was introduced. We had problems with it. He provided written testimony. **EXHIBIT 2**

Gordon Morris, Montana Association of Counties, urged the committee's support of HB 446.

Opponents' Testimony: None

Questions From Committee Members:

REP. O'KEEFE said Page 2, Subsection 4, states that if no bid is received the board may dispose of the land as provided in 7-8-

this much for local levy and this much for tuition, the Regents have not quarreled with it. Kalispell is up against their limits and Dawson is getting there. The only way for them to get to 100% of their budgeted amount is to raise tuition. The \$3,907 figure applies to all colleges.

Closing by Sponsor:

REP. WANZENRIED said one thing that the Legislature can do is put more funding into the community college system. This is one of the Commission of the 90's recommendations, that the state reassume the funding so that they can end up with 100% funding without driving property taxes any closer to their limitations.

EXECUTIVE ACTION ON HB 422

Motion/Vote: REP. HOFFMAN MOVED HB 422 DO PASS. Motion carried unanimously.

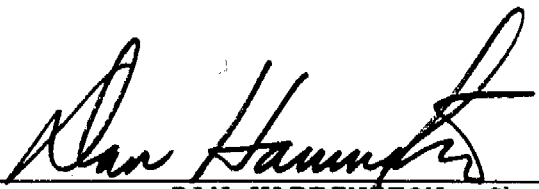
EXECUTIVE ACTION ON HB 446

Motion/Vote: REP. McCAFFREE MOVED HB 446 DO PASS. Motion carried unanimously.

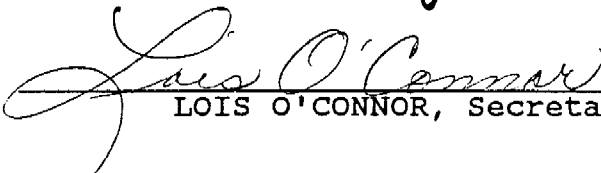
Announcements: CHAIR HARRINGTON referred HB 452 and HB 444 to the Property Tax Subcommittee.

ADJOURNMENT

Adjournment: 11:05 a.m.



DAN HARRINGTON, Chair



LOIS O'CONNOR, Secretary

DH/lo

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL

DATE 2/8/91 Fri

NAME	PRESENT	ABSENT	EXCUSED
REP. DAN HARRINGTON	✓		
REP. BEN COHEN, VICE-CHAIRMAN	✓		
REP. BOB REAM, VICE-CHAIRMAN	✓		
REP. ED DOLEZAL	✓		
REP. JIM ELLIOTT	✓		
REP. ORVAL ELLISON	✓		
REP. RUSSELL FAGG	✓		
REP. MIKE FOSTER	✓		
REP. BOB GILBERT	✓		
REP. MARIAN HANSON	✓		
REP. DAVID HOFFMAN	✓		
REP. JIM MADISON	✓		
REP. ED MCCAFFREE	✓		
REP. BEA MCCARTHY	✓		
REP. TOM NELSON	✓		
REP. MARK O'KEEFE	✓		
REP. BOB RANEY	✓		
REP. TED SCHYE		✓	
REP. BARRY "SPOOK" STANG	✓		
REP. FRED THOMAS	✓		
REP. DAVE WANZENRIED	✓		

1.20 X556 - 4.21.25

1:00
2-8-91
JDB

HOUSE STANDING COMMITTEE REPORT

February 8, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 446 (first reading copy -- white) do pass.

Signed: _____

Dan Harrington
Dan Harrington, Chairman

EXHIBIT 2
DATE 2-8-91
HB 446

Representative Dan Harrington
Chairman of Taxation Committee
Room 437
Capital Building
Helena, MT 59601

Dear Chairman Dan Harrington and Members of this Committee.

This Bill No. 446 is adding a new Section 5 to the Sale of Tax Deed Laws.

Under current statutes a delinquent taxpayer can bid his property at any tax deed auction and especially after the first sale, the County Commissioners reduce the appraised value and the taxpayer can bid on his delinquent property at a reduced price and thus escape in paying the actual amount of delinquent taxes due, costs, interest and penalties.

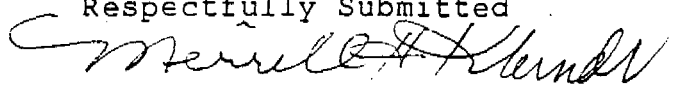
This bill would allow a delinquent taxpayer, successor in interest, members of the immediate family or agent to bid on their delinquent parcels at a public auction and if successful bidder, they are required to pay all county costs, delinquent taxes, assessments and all interest and penalty due in full.

Example: A delinquent taxpayer maybe delinquent to the amount of \$500,000.00. After the first sale the appraised values are lowered and the delinquent taxpayer may bid them in at the following auctions and save at least \$200,000.00. Under the current process, the state loses 40%, schools, county and city all lose 40%. This loss necessitates increasing levies, wherever possible, up to maximum levies allowed by I-105 to compensate for the loss of taxes and special assessments.

Further, if the revolving fund of the city and county are depleted, there must be a levy to provide funds for the revolving fund of each entity in order to retire outstanding bonds. Therefore, a taxpayer in good standing is paying again. This bill will stop some of the abuse in the current system.

If you will note no penalty or fine is stated in this bill; perhaps there should be an amendment placing a penalty and fine if found in violation.

Respectfully Submitted



Merrill H. Klundt
Clerk and Recorder
Chairman M. A. C. P.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 446
DATE 2/8/91 SPONSOR(S) Rep. T. Nelson

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Gordon Morris	MACO.	✓	
Merrill F. Lundell	Yell Co Clerk & Recorder	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

CHAIRMAN--MIKE HALLIGAN
SECRETARY--JILL ROHYANS
NORMAL SCHEDULE==> SITE: RM 413/415

COMMITTEE--(S) TAXATION
DAYS: M,T,W,T,F TIME: 8:00 A.M.

= REFER =
BILL === = DATE === LATEST ACTION/DATE=====

HB 153	01/25 (H) CHAPTER NUMBER SPONSOR: REAM, BOB	04/02 TITLE-CONFORM FILING DATES FOR WORKERS' COMP PAYROLL TAX TO INCOME TAX WITHHOLDING	EFFECTIVE DATE: 07/01/91
HB 193	R 01/31 (H) CHAPTER NUMBER SPONSOR: TOOLE, HOWARD	04/02 TITLE-EXEMPT STEP-CHILDREN FROM INHERITANCE TAX	EFFECTIVE DATE: 10/01/90
HB 262	02/01 (H) CHAPTER NUMBER SPONSOR: HARRINGTON, DAN	03/28 TITLE-REVISE MEANING OF TAXABLE VALUE USED IN CLASSIFICATION OF COUNTIES	EFFECTIVE DATE: 03/25/91
HB 312	A 04/05 (H) RETURNED FROM ENROLLING SPONSOR: HOFFMAN, DAVID	04/25 TITLE-STATE FUNDING OF YOUTH COURT MATTERS AND DISTRICT COURT OVER MAX COUNTY LEVY	
HB 313	02/05 (H) CHAPTER NUMBER SPONSOR: MCCAFFREE, ED	03/28 TITLE-REVISE TAX DEED NOTICE REQUIREMENTS	EFFECTIVE DATE: 10/01/91
HB 321	04/04 (H) SIGNED BY GOVERNOR SPONSOR: REAM, BOB	04/25 TITLE-REQUIRING INTEREST & PENALTY ON INDIVIDUAL & CORP LICENSE TAX TO GEN FUND	
HB 334	R 03/08 (H) SIGNED BY GOVERNOR SPONSOR: SWYSGOOD, CHARLES	04/25 TITLE-ALLOWING LIVESTOCK MOVED INTERSTATE TO BE TAXED ON A PRORATED BASIS	
HB 338	02/08 (H) CHAPTER NUMBER SPONSOR: REAM, BOB	04/22 TITLE-REDEFINING INCENTIVES FOR LOW EMISSION WOOD OR BIOMASS COMBUSTION DEVICES	EFFECTIVE DATE: 04/17/91
HB 340	AR 04/04 (H) TRANSMITTED TO SENATE SPONSOR: REAM, BOB	04/25 TITLE-PROPERTY TAXATION OF FOREST LAND BASED ON FOREST PRODUCTIVITY VALUE	
HB 386	AR 03/23 (H) VETOED SPONSOR: SCHYE, TED	04/24 TITLE-GASOLINE TAX FOR STATE PARKS ROADS	
HB 422	02/14 (S) CHAPTER NUMBER SPONSOR: HOFFMAN, DAVID	04/04 TITLE-AUTHORIZE STATE TAX APPEAL BOARD TO USE HEARINGS OFFICERS	EFFECTIVE DATE: 03/29/91
HB 441	03/13 (H) CHAPTER NUMBER SPONSOR: PAVLOVICH, BOB	04/25 TITLE-REVISE DELINQUENT MOBILE HOME TAX LIABILITY	EFFECTIVE DATE: 10/01/91
HB 446	02/14 (H) CHAPTER NUMBER SPONSOR: NELSON, THOMAS	04/24 TITLE-PRICE MUST COVER ALL DUE IF TAX-DEED LAND PURCHASED BY DELINQUENT TAXPAYER	EFFECTIVE DATE: 04/20/91
HB 452	R 04/04 (S) 3RD READ FREE CC RPT ADOPTED SPONSOR: LARSON, DON	04/24 TITLE-PROPERTY TAX EXEMPTION FOR NEW AND EXPANDING INDUSTRIES	REPORT NO. 1
HB 481	02/19 (H) CHAPTER NUMBER SPONSOR: WALLIN, NORM	03/28 TITLE-AUTHORIZE SALE OF TAX-DEED LAND FOR MARKET VALUE TO PURCHASER AFTER AUCTION	EFFECTIVE DATE: 03/26/91
HB 513	02/19 (H) CHAPTER NUMBER SPONSOR: SIMPKINS, RICHARD	04/25 TITLE-REVISE PROVISIONS RELATING TO REFUND OF TAXES ILLEGALLY COLLECTED	EFFECTIVE DATE: 04/23/91
HB 518	04/04 (H) SENT TO ENROLLING SPONSOR: MESSMORE, CHARLOTTE	04/24 TITLE-ADVERTISEMENT AND HEARING BEFORE BUDGETING MORE PROPERTY TAX REVENUES	
HB 543	R 03/13 (H) CHAPTER NUMBER SPONSOR: DARKO, PAULA	04/20 TITLE-CLARIFYING THE ELIGIBILITY FOR THE CREDIT FOR EMPLOYER PROVIDED DAY-CARE	EFFECTIVE DATE: 04/15/91
HB 550	AR 04/04 (S) ADVERSE COM RPT ADOPTED	04/09 (S) TAXATION	

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Mike Halligan, Chairman, on March 20, 1991, at 8:00 a.m.

ROLL CALL

Members Present:

Mike Halligan, Chairman (D)
Dorothy Eck, Vice Chairman (D)
Robert Brown (R)
Steve Doherty (D)
Delwyn Gage (R)
John Harp (R)
Francis Koehnke (D)
Gene Thayer (R)
Thomas Towe (D)
Van Valkenburg (D)
Bill Yellowtail (D)

Members Excused: None

Staff Present: Jeff Martin (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: None

HEARING ON SENATE BILL 454

Presentation and Opening Statement by Sponsor:

Senator Doherty, District 20, sponsor, said the bill addresses District Court funding. This bill complements a House bill which provides relief for District Court funding and provides for the state to pick up some of the legitimate state costs in District Courts. Currently first class counties can levy 6 mills and second class counties can levy 5 mills to support District Courts. This bill would authorize County Commissioners to levy additional mills in order to pay off the Court deficit. Not all Courts have law clerks which adds greatly to the work load of the Court. He noted the mill does not raise a great deal of money in Cascade County and there is just not enough revenue to adequately fund the Court. The bill contains an exemption provision from Il05.

HEARING ON HOUSE BILL 446Presentation and Opening Statement by Sponsor:

Rep. Tom Nelson, District 95, sponsor, said the bill requires if property is purchased by the delinquent taxpayer at a tax-deed auction, the minimum purchase price must cover all costs, delinquencies, interest and penalties, not withstanding the amount of the fair market value of the property.

Proponents' Testimony:

Merrill Klundt, Yellowstone County Clerk and Recorder, presented his testimony in support of the bill (Exhibit #3).

Gordon Morris, Montana Association of Counties, spoke in support of the bill saying it corrects the situation whereby a taxpayer can let property go delinquent and then come back and redeem it at less than fair market value.

Opponents' Testimony:

There were no opponents.

Questions From Committee Members:

Senator Towe expressed concern that if the delinquent taxpayer is the only bidder on the property, and he bids below the fair market value, the county cannot accept his bid. As a result, the county has lost the sale and the all the proceeds of the sale.

Senator Gage agreed that if the taxpayer bids just the amount of the fair market value, not to include the costs and delinquencies, the county could not sell the property.

Closing by Sponsor:

Rep. Nelson said the bill is intended to act as a disincentive for a taxpayer to allow his property to go delinquent. He felt the net effect will be greater tax collections for the counties.

ROLL CALL

SENATE TAXATION COMMITTEE

DATE _____

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. HALLIGAN	X		
SEN. ECK	X		
SEN. BROWN	X		
SEN. DOHERTY	X		
SEN. GAGE	X		
SEN. HARP	X		
SEN. KOEHNKE	X		4:25 PM 2
SEN. THAYER	X		
SEN. TOWE	X		
SEN. VAN VALKENBURG	X		
SEN. YELLOWTAIL	X		

Each day attach to minutes.

DATE 5/20

COMMITTEE ON *Sensu Taxation*

~~53-45~~

SB 457 HB 541 HB 446
SB 454 HB 518

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Richard Pankas	NPRC	SB-457	✓	
Robin McCulloch	Mt. Bureau of Mines & Ind.	SB-453		
Dennis Adam	DER			
DARRELL HOLZER	MT. ST. AFL-CIO	HB 599	HB 591 ✓	
Ron Burke	IBEW Local 532 BLCs	HB 591	✓	
Ron Perry	" " " "	" "	✓	
Kurt Dodge	ASDCC			
Gordon Morris	MACO	SB 454	HB 513 ✓	
" "	" "	HB 446	✓	
Eugene Foner	MT St Bly Trade	591	✓	
John Fitzpatrick	Agus & Gold Co.	457		✓
Muriel Khandt	Clear & Clear	446	✓	
Mary A. Canale	Mt. Mining Assn.	457		✓
WARD SHAWHAN	CHRYSEN CORPORATION	457		✓
Ray Gilman	Montana Resources	457		X
Samuel Burr	MT Typographers Assoc	SB 457		✓
Carrie Harker	Mt Alliance for Progressive Policy	457	✓	
LARRY HUCK	MONT BOATING ASSOC.			
F.H. BUCK BOLES	MT CHAMBER		SB 457	✓
Ray Blum	YUCC	457	✓	

(Please leave prepared statement with Secretary)

County of Yellowstone

MERRILL H. KLUNDT
CLERK AND RECORDER



(406) 256-2787

P.O. BOX 35001
BILLINGS, MONTANA 59107

March 18, 1991

Senator Mike Halligan, Chairman
Senate Taxation Committee and Members
Senate District No. 29
Room 413/415
Capital Building
Helena, MT 59624

Dear Senator Halligan:

This bill is adding a new Section to 7-8-2301, M.C.A.

Under current statutes a delinquent taxpayer can bid his property at any tax deed auction and especially after the first sale, the County Commissioners reduce the appraised value and the taxpayer can bid on his delinquent property at a reduced price and thus escape in paying the actual amount of delinquent taxes due, costs, interest and penalties.

This bill would allow a delinquent taxpayer, successor in interest, members of the immediate family or agent to bid on their delinquent parcels at a public auction and if successful bidder, they are required to pay all county costs, delinquent taxes, assessments and all interest and penalty due in full.

Example: A delinquent taxpayer maybe delinquent to the amount of \$500,000.00. After the first sale the appraised values are lowered and the delinquent taxpayer may bid them in at the following auctions and save at least \$200,000.00. Under the current process, the state loses 40%, schools, county and city all lose 40%. This lose necessitates increasing levies, wherever possible, up to maximum levies allowed by I-105 to compensate for the loss of taxes and special assessments.

Further, if the revolving fund of the city and county are depleted, there must be a levy to provide funds for the revolving fund of each entity in order to retire outstanding bonds on R.S.I.D's or S.I.D.'s. The amount that can be levied is no more than 5% of the outstanding bond indebtedness. In Yellowstone County this would be \$250,000.00 maximum, Section 7-12-2182, M.C.A. I know of one county the maximum amount that can be levied under this Section can not even pay the interest on the outstanding bonds and is now in court.

Therefore, a taxpayer in good standing is paying again on those who are speculators. This bill will stop some of the abuse in the current system.

Yours truly,

Merrill H. Klundt
Clerk and Recorder
Yellowstone County, Montana
Chairman of MACR
Legislative Committee